

March 12, 1991

LB 160, 161

Uniform Commercial Code, provides those clear rules. I urge for its advancement.

SPEAKER BAACK: Thank you, Senator Landis. Is there anyone else wishing to discuss this bill? Seeing no one, Senator Landis, do you wish to close?

SENATOR LANDIS: I move the advancement of the bill.

SPEAKER BAACK: You've heard the closing. All those in favor of the advancement of LB 160 vote aye, opposed vote no. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on the advancement of 160.

SPEAKER BAACK: LB 160 is advanced. We'll now go to LB 161.

CLERK: LB 161, Mr. President, is a bill introduced by Senator Landis. (Read title.) The bill was introduced on January 11, referred to Banking, advanced to General File. I have no amendments to the bill, Mr. President.

SPEAKER BAACK: Senator Landis.

SENATOR LANDIS: Thank you, Mr. Speaker. Members of the Legislature, LB 161 is a rewriting of two existing articles of our Code of Uniform Commercial Law. These are the rewritings of Article III and IV, and represent the most recent statement of them by the Uniform State Law Commissioners. And I believe the draft was completed in 1989 or 1990. We will be among the first states to adopt this measure, but there is darn good reason to do so, which is why our Nebraska Bankers Association testified in favor. First, our existing Article III and IV are 40 years old. Nebraska was among the very first states to adopt these articles. In 1963, I believe, Bill Brandt was the introducer of them at that time. At that time, only banks offered checking and were the only financial institutions authorized to do checks. Now we know that there are other institutions that provide checking. And Article III and IV extends the same rules to them that originally were applied only to banks. Secondly, when this bill was originally put on the books, all checking was done by a piece of paper that traveled between banks. And the banking system was slow. The banking system had the incredible obligation of making all of these pieces of paper float between